CS EXECUTIVE | CA INTER | CMA INTER

Goods and Services Tax

RELEVANT FOR DEC, 24, JAN 25 & MAY 25

Question Bank

Compilation by
CA Vivek Gaba
(FCA, B.com, CCTP)

Goods and Services Tax

Relevant For-

CA Inter - January 2025 / May 2025

CS Executive - December 2024

CMA Inter - December 2024

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Book Dedicated to
ALL My Students & Parents

About Book-

- ✓ Cover All Past Year Questions of CA,CS,CMA and RTP and MTPs.
- ✓ Colourful Question Bank.
- ✓ Covers all amendments as per latest notification
- ✓ Covers Multiple Choice Questions
- ✓ Questions are bifurcated chapter-wise.
- ✓ Each question has associated marks distribution.

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Chapter 1: GST in India- An Introduction

Descriptive Questions

Easy

Question 1 MTP Oct'21

Write a short note on various Lists provided under Seventh Schedule to the Constitution of India.
5 Marks

Answer:

Seventh Schedule to Article 246 of the Constitution contains three lists which enumerate the matters under which the Union and the State Governments have the authority to make laws.

(i) List -I (UNION LIST): It contains the matters in respect of which the Parliament (Central Government) has the exclusive right to make laws.

(ii) List -II (STATE LIST): It contains the matters in respect of which the State Government has the exclusive right to make laws.

(iii) List -II (CONCURRENT LIST): It contains the matters in respect of which both the Central & State Governments have power to make laws.

Question 2 MTP Nov'21, MTP April'21

GST is a simplified tax structure. Justify the statement. **5 Marks**

Answer

GST is a simplified tax structure. The statement is justified. Simpler tax regime with fewer exemptions along with reduction in multiplicity of taxes under GST has led to simplification and uniformity in tax structure.

The uniformity in laws, procedures and tax rates across the country makes doing business easier. Common system of classification of goods and services across the country ensures certainty in tax administration across India.

Question 3 MTP Oct'18, PYP May '18, CS Exec. May'18

List any four state levies, which are subsumed in GST. **5 Marks**

Answer

The State levies which are subsumed in GST are as under: -

- State surcharges and cases in so far as they relate to supply of goods & services
- Entertainment Tax (except those levied by local bodies)
- Tax on lottery, betting and gambling
- Entry Tax (All Forms) & Purchase Tax
- VAT/ Sales tax

- ➢ Luxury Tax
- ➢ Taxes on advertisements

Note: Any of the four points may be mentioned.

Question 4 — MTP Aug'18

Discuss any two functions of GSTN. **2 Marks**

Answer

The functions of the GSTN include:

- ✓ facilitating registration;
- ✓ forwarding the returns to Central and State authorities;
- ✓ computation and settlement of IGST;
- ✓ matching of tax payment details with banking network;
- ✓ providing various MIS reports to the Central and the State Governments based on the taxpayer return information;
- ✓ providing analysis of taxpayers' profile; and running the matching engine for matching, reversal and reclaim of input tax credit.

(**Note:** Any two points may be mentioned)

Question 5 — MTP March'18

Discuss any two significant benefits of GST. **2 Marks**

Answer

GST is a win-win situation for the entire country. It brings benefits to all the stakeholders of industry, Government and the consumer. It will lower the cost of goods and services, give a boost to the economy and make the products and services globally competitive.

The significant benefits of GST are discussed hereunder:

- ➢ **Creation of unified national market**: GST aims to make India a common market with common tax rates and procedures and remove the economic barriers thus paving the way for an integrated economy at the national level.
- ➢ **Mitigation of ill effects of cascading:** By subsuming most of the Central and State taxes into a single tax and by allowing a set-off of prior-stage taxes for the transactions across the entire value chain, it would mitigate the ill effects of cascading, improve competitiveness and improve liquidity of the businesses.
- ➢ **Elimination of multiple taxes and double taxation**: GST has subsumed majority of existing indirect tax levies both at Central and State level into one tax i.e., GST which is loveable uniformly on goods and services. This will make doing business easier and will also tackle the highly-disputed issues relating to double taxation of a transaction as both goods and services.
- ➢ **Boos to 'Make in India' initiative:** GST will give a major boost to the 'Make in India' initiative of the Government of India by making goods and services produced in India competitive in the
- ➢ national as well as international market.

- **Buoyancy to the Government Revenue:** GST is expected to bring buoyancy to the Government Revenue by widening the tax base and improving the taxpayer compliance.

(Note: Any two points may be mentioned)

Question 6 — **MTP March'21**

Briefly explain the liveability of GST or otherwise on petroleum crude, diesel, petrol, Aviation Turbine Fuel (ATF) and natural gas. **5 Marks**

Answer

Petroleum crude, diesel, petrol, ATF and natural gas are presently not leviable to GST. GST will be levied on these products from a date to be notified on the recommendations of the GST Council. Till such date, central excise duty continues to be levied on manufacture/production of petroleum crude, diesel, petrol, ATF and natural gas and inter-State/intra-State sale of the same is subject to CST/ VAT respectively.

Question 7 — **PYQ Nov'18, CS Exec. Nov'18**

List any four Central levies, which are subsumed in GST. **2 Marks**

Answer

The Central levies which are subsumed in GST are as under: -

(a) Central Excise Duty & Additional Excise Duties

(b) Service tax

(c) Excise duty under Medicinal & Toilet Preparation Act

(d) CVD

(e) Special CVD

(f) Central Sales Tax

(g) Central surcharges and cases in so far as they relate to supply of goods & services

Note: Any of the four points may be mentioned.

Moderate

Question 1 — **CS Exec. June'19**

Mention any four products which are kept outside the preview of Goods and Services Tax. Are they exempt from any tax? **4 Marks**

Answer:

The following items have been kept outside the purview of Goods and Services Tax:

1. Alcoholic liquor for human consumption
2. Petroleum crude*
3. Motor spirit (petrol)*
4. Aviation Turbine Fuel*
5. High speed diesel*
6. Natural gas*

7. Electricity
8. Immovable Property
*GST to be notified on recommendation of GST Council.
No, they are not exempt but taxable under the respective laws of the Centre and States other than GST.

Question 2 **CS Exec. May'18**

With reference to GST Laws, how does the new payment system benefit the taxpayer & the Commercial Tax Department? **3 Marks**

Answer:

The new payment system benefits the taxpayer and the commercial tax department in the following ways :-

Benefits to Taxpayer	Benefits to the Commercial Tax Department
(1) Ease in payment: No more queues and waiting for making payments as payments can be made online 24×7. **(2) Paperless transactions:** Electronically generated challan from GSTN common portal in all modes of payment and no use of manually prepared challan. **(3) Acknowledgement:** Instant online receipts for payments made online. **(4) Electronic Challan:** Single challan form to be created online, replacing the three or four copy Challan. **(5) Transparency:** Greater transparency	**(1) Instant receipt:** Revenue will come earlier into the Government Treasury as compared to the old system. **(2) Tax collection:** Logical tax collection data in electronic format. **(3) Paperless environment:** The use of electronic mode facilitates speedy accounting and reporting. **(4) Automatic Reconciliation:** Due to availability of entries in logical electronic format, there is logical reconciliation of all receipts. **(5) Digital storage:** Warehousing of digital challan.

Question 3 **CS Exec**

Enumerate any five matters on which the GST Council may make recommendations under Article 279A of the Constitution of India.

Answer:

The GST Council shall make recommendation to the Union and the States on the following :-

Abolition of taxes	The taxes, cesses and surcharges levied by the Union, the State and the local bodies which may be subsumed in the GST.
Number of Goods or Services Exempted	The goods and services that may be subjected to, or exempted from GST.
Making of rules of levy and place of supply	Model GST Laws, principles of levy, apportionment of Integrated Goods and Services Tax (IGST) and the principles that govern the place of supply.
Threshold exemption	The threshold limit of turnover below which goods and services may be exempted from GST.
Rates of tax	The rates including floor rates with bands of GST.

Multiple Choice Questions

Question 1 MTP Oct'19, MTP Mar'19, MTP May'21

Alcoholic liquor for human consumption is subjected to

a) State excise duty
b) Central Sales Tax/Value Added Tax
c) Both (a) and (b)
d) GST

Question 2 MTP April '19

Which of the following statements is true under GST?

a) Grand-parents are never considered as related persons to their grandson/granddaughter
b) Grand-parents are always considered as related persons to their grandson/granddaughter
c) Grand-parents are considered as related persons to their grandson/granddaughter only if they are wholly dependent on their grandson/granddaughter
d) None of the above

Question 3 MTP March'19, May'20

Taxes subsumed in GST are

a) Service tax
b) Luxury tax
c) VAT
d) All of the Above

Question 4 MTP Sep'23

________ provides that no tax shall be levied or collected except by authority of law.

a) Article 269
b) Article 245
c) Article 265
d) Article 246

Question 5 RTP May'21

Various taxes have been subsumed in GST to make one nation one tax one market for consumers. Out of the following, determine which taxes have been subsumed in GST.

(i) Basic customs duty levied under Customs Act, 1962
(ii) Taxes on lotteries
(iii) Environment tax

a) (ii)
b) (ii) and (iii)
c) (iii)
d) (i), (ii) and (iii)

Question 6 — RTP May'21

Goods as per section 2(52) of the CGST Act, 2017 includes:
(i) Actionable claims
(ii) Growing crops attached to the land agreed to be severed before supply.
(iii) Money
(iv) Securities
a) (i) and (iii)
b) (iii) and (iv)
c) (i) and (ii)
d) (ii) and (iii)

Question 7 — CMA Inter

GST is a ___________________ based tax.
(A) Territory
(B) Origin
(C) Destination
(D) None of the above

Question 8 — CMA Inter

Which of the following taxes have been subsumed in GST?
(A) Central Sales Tax
(B) Central Excise Duty
(C) VAT
(D) All of the above

Question 9 — CMA Inter

GST is levied on supply of all goods and services except:
(A) Alcoholic liquor for human consumption
(B) Tobacco
(C) Health Care Services
(D) All of the above

Question 10 — CMA Inter

On Petroleum Crude, High Speed Diesel, Motor Spirit (commonly known as Petrol), Natural Gas and Aviation Turbine Fuel:
(A) GST is not levied at all
(B) GST will be levied from a date to be notified on the recommendations of the GST Council.
(C) GST is levied, but exempt
(D) None of the above

Question 11 — CS Execu.

The first committee to design GST model was headed by -
(a) Vijay Kelkar
(b) Asim Das Gupta
(c) Dr. Chidambaram
(d) None of the above

Question 12 CS Execu.

One of the following states does not fall under special category given under Article 279A of the Constitution -

(a) Himachal Pradesh
(b) Uttarakhand
(c) Chhattisgarh
(d) Jammu & Kashmir

Question 13 CS Execu.

The recommendation of the GST Council will be _________ .

(a) Mandatory
(b) Only Advisory Power
(c) Mandatory and sometimes Advisory
(d) Mandatory on States only

Question 14 CS Execu.

List-I of the Constitution contains matters in respect of which has the exclusive right to make laws.

(a) Parliament
(b) State
(c) Both Centre and State Governments
(d) Central Government

Question 15 CS Execu.

Which article of the Constitution outlines the composition and functions of the GST Council?

(a) 270
(b) 279A
(c) 246A
(d) 269A

Question 16 CS Execu.

Goods and Service Tax council referred in which section -

(a) 279A of the Constitution
(b) 276 of the Constitution
(c) 277 of the Constitution
(d) 279 of the Constitution

Question 17 CS Execu.

.... notifies the "rate of central tax to be levied under CGST Act, 2017.

(a) Central Government
(b) State Government
(c) GST Council
(d) Central Government as per the recommendations of the GST Council